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A LOOK AT COMPTROLLERSHIP IN THE NAVY

by

W.L. Poindexter

The George Washington University

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Navy Graduate Comptrollership Program

TABLE OF CONTENTS

Page

LIST OF ILLUSTRATIONS	i
INTRODUCTION	1
Chapter	
I. THE COMPTROLLER OF THE NAVY	
The Evolution of the Comptroller of the Navy	3
Functions of the Navy Comptroller	4
The Requisites of the Navy Compt- roller	8
II. A VIEW OF COMPTROLLERSHIP AT THE BUREAU LEVEL AND BELOW	
Functional and Organizational Consid- erations	11
Functions of the Comptroller (Bureau level and below)	19
Navy Policy Towards Comptrollership	21
III. CONCLUSIONS	23
BIBLIOGRAPHY	26

LIST OF ILLUSTRATIONS

Figure	Page
1. Simplified Organisation Chart Showing the Comptroller of the Navy	6
2. Simplified Organisation Chart Showing the Comptroller at the Bureau and Subordinate Levels	18

INTRODUCTION

The mission of the Navy is generally considered to include the protection of the continental United States, the protection of U.S. shipping on the high seas, the protection of U.S. nationals in foreign countries, and the support of our foreign policy. The accomplishment of this mission depends on the ability of those in command to prepare plans of action in harmony with the mission and in turn to evaluate the requirements for implementing the plans in terms of men, material, and facilities.

In order that Congress may determine the extent of Navy appropriations, these requirements are stated in terms of dollars. The number of dollars is directly related to the quantity, the quality, the timing, and the cost of these requirements. Hence, it is important dollar-wise and military-wise to arrive at these requirements on the basis of a proper balance between quantity, quality, timing, and cost.

How efficiently and how economically the Navy is operated depends to a great extent on how well the Navy is able to determine the proper requirements with which to implement approved plans. The Navy is aware that it must promote efficiency and economy for article 0717 of U.S. Navy Regulations, 1938, specifically provides that the commanding offi-

The study of the mind is generally considered as
 the province of the philosopher, and the province of
 the psychologist is the study of the mind as it
 is actually. The province of the philosopher is
 the study of the mind as it is in itself, and the
 province of the psychologist is the study of the
 mind as it is in relation to the body. The
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 psychologist is the study of the mind as it is
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 philosopher is the study of the mind as it is
 in itself, and the province of the psychologist
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 to the body.

In order that the mind may be studied as it
 is in itself, it is necessary that the mind
 should be studied as it is in itself, and not
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cer shall be responsible for economy within his command.

Although officers are charged with economy within their respective commands, it is believed that they are, in many instances, handicapped in discharging this responsibility because of lack of understanding of the management aspects of command which relate to efficiency and economy.

Accordingly, it is the purpose of this paper to see what the Navy is doing to improve this situation. More specifically to see how the Navy Comptroller concept and its application might very well be the answer to this situation, wherein the objective is the promotion of economy and efficiency.

While the views expressed herein are not necessarily the official views of the Navy Department, they are for the most part based on the writer's knowledge gained through personal contact with members of the office of the Comptroller of the Navy, while serving on the staff of Rear Admiral E.W. Clepton, U.S. Navy, Assistant Comptroller, Director Budget and Reports. The brief reference to private enterprise, where occurring, is based on selective business publications on file at The George Washington University.

CHAPTER I

THE COMPTROLLER OF THE NAVY

The Evolution of the Comptroller of the Navy

The Navy has long recognized the need for efficiency and economy in its operation, and the promotion of such has been one of its objectives. As the Navy grew larger and larger, its programs became larger and more complex. Consequently, it became increasingly apparent that the system of financial management, which gave little recognition to the needs of management, needed an overhaul. However, it was not until Public Law 316 was approved on August 10, 1949, that wheels were put in motion for reorganizing financial management in the Department of Defense, with a view to promoting efficiency and economy therein. Among other things, this law provided for the establishment of a Comptroller of the Navy with functions closely paralleling those of comptrollers in private industry. This similarity is quite significant when it is considered that the larger corporations had earlier recognized a need for establishing controls and systems of internal checks in an effort to simplify routines, place responsibilities, and analyze transactions bearing on the efficiency of operations. This need found expression in many large corporations by the creation of the office of controller.¹

¹Thornton F. Bradshaw and Charles C. Hull, Controllership in Modern Management (Chicago: Richard D. Irwin, Inc., 1950), p. 31.

In the Navy, these functions are primarily designed to provide top operating officials with the kind of service which will promote the greatest measure of efficiency. This is very well stated by Rear Admiral H.G. Hopwood, U.S. Navy, when, as Deputy Comptroller of the Navy, he addressed the Navy War College on March, 16, 1961. He said:

"The objective of the Comptroller is to contribute to the most effective, economical, and efficient execution of authorized programs and operations through providing command sound financial plans in support of operations and with a continuous service of comparison, analysis, and presentation of actual performance with authorized programs and objectives. Costs in energy, time, material, and money are evaluated so as to serve as a basis for timely decisions and to assure the most effective balance in availability and use of resources.

The position of the Comptroller of the Navy seems to have stemmed from a recognition of the fact that the Navy is very large and complex with the consequent need to organize the various management services into a coordinated function and complete package of staff service to command."

Functions of the Navy Comptroller

We have seen that the office of the comptroller of the Navy was created in recognition of a need by top officials for a service promoting efficiency and economy. It is important to examine some of the functions and how they serve the management aspect of command. These we will examine in the light of the Navy's concept of Comptrollership, for it has been said that the Comptrollership function is largely a reflection of top manage-

² Rear Admiral H.G. Hopwood, USN, "Navy Budget Formulation and Program Management," address to the Navy War College, Newport, Rhode Island, March 16, 1961.

ment's concept of it.

In essence, the concept seems to be the improvement of financial management throughout the Navy with a view to promoting efficiency and economy.³ Financial management is a part of management or command responsibility at all levels of Navy organization. Therefore, of foremost concern to comptrollership is the conversion of programs and program objectives to financial plans of operation, financing the plan; and through coordination of the functional specialities of comptrollership, provision of timely analysis of financial operation as related to progress, economy, and efficiency in the accomplishment of program objectives. This is not so because the comptroller is personally responsible for control of operations, but rather that, in the Navy, top management and command who are responsible for control of operations, see in the comptroller a basis for such control. This is interpreted to mean that the comptroller must develop, coordinate, integrate, analyze, and interpret control information for management or command.

The Navy considers comptrollership a staff function, without line authority except over the assigned specialities falling

³Bradshaw and Hull, op. cit., p. 1.

⁴"Financial management" as used herein means the processes by which work programs, including the related phases of program planning and coordination, are transferred into financial terms, analyzed, evaluated, and reflected in the form of budget estimates;

within the comptrollership area (see Fig. 1). It is designed to bring to management or command, a complete staff service consisting of information and analysis pointing up potential problem areas and action recommendations.

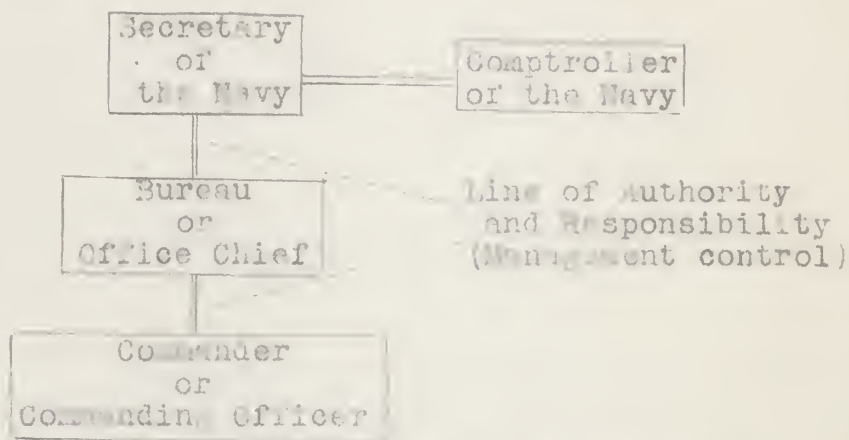


Fig. 1. Simplified Organization chart showing how the Comptroller of the Navy serves in a staff capacity and his relationship to other levels.

The functions of the comptroller are contained in the Charter of the Comptroller of the Navy. For purposes of comparison, they are shown in outline below along with those normally found in the larger companies:

(con't.) ~~ating~~: the necessary funds justified and obtained from the granting authority and allotted or distributed to the proper units; adequate measures maintained for accountability and expenditure control and for assuring at all times that the funds utilized for the execution of the authorized programs of work are being expended effectively and economically, and that the results are analyzed, measured, evaluated, and reported upon by way of comparison with authorized plans or objectives.

⁵Letter from Hon. John F. Floborg, the Assistant Secretary of the Navy for Air, to: Chief, Personnel Classification Division, U.S. Civil Service Commission, Washington, D.C., 10 December 1951.

<u>Navy Comptroller</u> ⁶	<u>Company Comptroller</u> ⁷
1. Budgeting (preparation and administration)	1. Budgeting
2. Accounting (principles, policies, procedures, and systems)	2. Accounting (general and cost)
3. Internal and Contract Auditing	3. Internal Auditing
4. Statistical and Progress Reporting (development of policy and general systems of statistical and progress reporting with respect to fiscal and budgetary matters)	4. Analysis, interpretation, and special studies (generally similar to 1 and 3 opposite)
5. Providing Management with information required from an analysis of reports	5. Office service functions (quite similar to 3 opposite)
6. Administration organization structure and managerial procedures relating to budgeting, accounting, statistical, and progress reporting and auditing	6. Tax returns and government reports

The similarity between the two is quite clear. This probably results from the similarity between financial management in the Navy and the larger companies.

So far as is known, a majority of the functions of the Comptroller of the Navy were formerly performed on a more or less hit and miss basis in the various bureaus and offices of the Navy

⁶Department of the Navy, Office of the Comptroller. Current Charter of the Comptroller of the Navy. Washington: 26 August 1955.

⁷Bradshaw and Hull, op. cit., p. 75.

General Information

Specific Information

1. General Information - This section contains information about the project, including the title, purpose, and objectives.
2. Specific Information - This section contains information about the specific aspects of the project, including the methodology, data, and results.
3. Discussion - This section contains information about the discussion of the project, including the interpretation of the results and the conclusions drawn.
4. References - This section contains information about the references used in the project, including books, articles, and other sources.
5. Appendices - This section contains information about the appendices, including tables, figures, and other supplementary material.
6. Index - This section contains information about the index, which is a list of the topics and pages in the project.
7. Table of Contents - This section contains information about the table of contents, which is a list of the sections and pages in the project.
8. Summary - This section contains information about the summary, which is a brief overview of the project.
9. Abstract - This section contains information about the abstract, which is a short summary of the project.
10. Introduction - This section contains information about the introduction, which is the first part of the project.

The following information is provided for your reference. It is not intended to be a complete guide, but rather a summary of the key points. The information is organized into sections, each of which contains a list of items. The items are listed in alphabetical order, and each item is followed by a brief description of its contents.

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Department. Under these circumstances, administering the Navy efficiently was difficult because of poor plans, organization, direction, coordination, and control in the area of financial management.

The Requisites of the Navy Comptroller

It might be interesting to consider at this point, some Navy requisites of comptrollership. The Navy emphasizes that comptrollership is primarily a staff function designed to provide top Navy management and command with a complete staff service of information and analysis in the area of financial management. The idea being that top management will then be in a better position to promote efficiency and economy in the Navy.

This means that the Comptroller must be able to view both financial management and operations through the eyes of top management and command. This is no mean task when the magnitude and complexity of the Navy is considered. Some idea of its magnitude is reflected by a comparison with the combined assets of the American Telephone and Telegraph Company, the General Motors Corporation, and the United States Steel Corporation. *The Navy assets are approximately three times greater.* As might be expected, the Navy, in considering candidates for comptrollership, emphasizes the importance of broad

experience in Naval Operations both ashore and afloat. 8,9 Such broad experience usually accrues only to professional line officers with many years of service. Other requisites are:¹⁰

1. Ability to understand broad programs and problems.
2. Ability to take initiative in pointing out potential problem areas with suggestions for remedial action.
3. Ability to present a new course of action to the satisfaction of the man who is charged with the responsibility for the results obtained.
4. Ability to get along well with associates.

Although the Navy does not plan to establish careers in comptrollership, it recognizes the desirability of providing education in the concept of comptrollership to those officers with proper requisites who may be selected for comptroller type work. This education provides for the broader perspective of management rather than from the specialist or technical point of view. ¹¹ It is designed to supplement the broad experience of professional officers with the management aspects of accounting, internal auditing, budgeting, economics, statistical and reports analysis, management engineering, and

⁸ Floberg, op. cit.

⁹ Rear Admiral R.W. Cleaton, USN, "Comptrollers in the Navy," address to Shipyard Commanders Conference, Bureau of Ships, Navy Department, Washington, D.C., 27 November 1961.

¹⁰ Department of the Navy, Office of the Comptroller, (unofficial), "Comptrollers in the Navy," Washington: June, 1961.

¹¹ Rear Admiral H.G. Hopwood, op. cit.

human relations. 12

A comparison with the requisites of a comptroller in industry reveals certain significant similarities. In industry, the comptroller is expected to be an official whose information or judgement provides a basis for action. The first requisite of the industrial comptroller is his ability to inspire confidence in his superiors. To do so requires that he be "right" most of the time. But being right requires more than the application of the comptroller type techniques. It requires a high degree of wisdom in the application of knowledge to the best ends of the total corporate enterprise. This requires, as in the case of the Navy, broad knowledge of operations and ability to provide intelligent recommendations to top management, based on what will best serve management in promoting efficiency.¹³

12 This formal training is currently provided by the George Washington University.

13 Bradshaw and Hull, op. cit., pp. 4-7.

CHAPTER II

A VIEW OF COMPTROLLERSHIP AT THE BUREAU LEVEL AND BELOW

Functional and Organizational Considerations

While the Navy's position relative to comptrollership is less clear at this level than at the departmental level, it is clear that there is a genuine interest in progressively viewing the various levels with a view to increasing efficiency. In some cases, particularly at the smaller activities (commands), it seems certain that the formal comptroller organization is unwarranted. On the other hand, the need for a more or less formal type comptroller type of organization seems reasonable, commencing at the Bureau level and extending down to the large stations and certain commands afloat. Like private industry, the Navy is finding the advantage of the comptroller concept to be proportional to the magnitude and complexity of the operations involved. 1,2,3

Since the comptroller concept seems to be applicable at the Bureau level, and, in many instances, below Bureau level, it is enlightening to examine top Navy views of comptroller functions and organization at these levels. To begin with, it should

¹Letter from Hon. John E. Floberg, the Assistant Secretary of the Navy for Air, to: Chief, Personnel Classification Division, U.S. Civil Service Commission, Washington, D.C., 1951.

²Rear Admiral E.W. Cleaton, USN, "Comptrollers in the Navy", address to Shipyard Commanders Conference, Bureau of Ships Navy Department, Washington, D.C., 10 December 1951.

³Department of the Navy, Office of the Comptroller (unofficial), "Comptrollers in the Navy," Washington, June, 1951.

be made clear that the Navy does not adhere to a rigid standardized pattern of organization. However, it does consider certain basic requirements essential to fully realize the inherent potential. No magical result may be expected merely from putting new "boxes" with impressive titles on an organization chart. The organization chart by itself accomplishes nothing. It is useful only to the extent that it may assist the organization in accomplishing its objectives through proper interrelation of effort.

In order to enumerate the basic requirements of the controller function in its organized application of the tools of management, let us first review the basic objective of command in the management areas. Good management is the objective and has been stated simply to be:

Good management is the intelligent direction of others in the efficient and economic utilization of men, materials, facilities, equipment, money, and time for the accomplishment of the assigned mission.*

It is significant to note that regardless of the level or authority at which the management function is exercised, the principles are always the same. Any individual who has the authority to tell someone what to do is the manager. The efficiency of a petty officer in charge of a working party may be measured by the effectiveness with which he applies these principles in

*Ibid., pp. 15-17.

accomplishing his mission. The same measures of effectiveness may be applied to the commanding officer of a large shore establishment. The principal difference is in the degree of complexity of mission and the magnitude of organization required.

The Commander or Commanding Officer is given the responsibility of accomplishing a specific mission. He has available to him certain resources of personnel, material, equipment, facilities, and money with which to accomplish his mission. He periodically presents and justifies a requirement for new resources necessary for the attainment of his mission in accord with a stated program. This may be incident to budgetary preparation by the parent bureau, or to a request to the parent bureau for an allotment of money. He has command authority to direct the coordinated use of the resources at his disposal so as to discharge his mission most economically and effectively. Under these circumstances, it is readily apparent that one function of command is a management function in the true sense, and command responsibility is inseparable from management responsibility. Hence, the Navy emphasizes strong and progressive management rather than passive administration.⁵

The basic objectives of command in the management area have been discussed. Hence it seems appropriate to discuss one view of the management process as it relates to command. One

⁵Ibid.

Source breaks the process of management into four principal parts. They are:

1. An objective or mission
2. A plan and its implementation (this includes the budget)
3. Periodic reporting of progress
4. Analysis of progress with recommendations for change, if required.⁶

These will be discussed in the order in which they occur above, in the paragraphs which follow.

The motivation and guiding force for any organized activity stems from the objectives of that activity. Organization exists only to facilitate accomplishment of these objectives. In the Navy, each organizational component thereof has a specific mission. This is provided for in a document known as the Basic Naval Establishment Plan. This Plan is revised each year to reflect what each activity must do in order that the Navy as a whole may accomplish its assigned mission for that year. It sometimes happens that in the large organizations, objectives become somewhat obscured by the complexity of their activity. The objective or mission should not be lost sight of, for it is the yardstick against which all requirements and accomplishments are measured and evaluated.

Given a mission, the next requirement in the management process is a plan(s) which when implemented will achieve the ob-

⁶Ibid., p. 18.

jective(s). The plan must be feasible and the implementing resources consistent therewith. This plan, along with the organization and resources for its execution must be under continual review in the light of changes in mission or altering circumstances. The actual implementation of the plan will generally bring to light certain areas calling for changes, additions, or omissions thereto. While such a plan is not always practicable, a time phased plan, in schedule form, is quite useful in periodic evaluation of accomplishment.

Once the operating plan is in effect, a system of periodic reports of performance is essential to effective and efficient management. In setting up a company system of reports, the following considerations should be kept in mind:

1. A report is not an end in itself. If the information contained thereon adds very little to the process of good management it is not worthwhile.
2. Continuing reports of results of operating units should be summarized information required by them in efficiently performing their assigned tasks.
3. Progress reports should be designed to reflect some unit of measurement readily identified with the plan as stated and capable of comparison with such control or ceiling considerations as may be in effect.
4. The frequency and timing of progress reports is important. They should be frequent enough to detect wide deviations from the plan, yet not so often as to minimize changes and unduly burden operating units.

It should be borne in mind that there presently exists at the field level a great amount of progress information which could be extracted from financial and progress reports going to

the parent bureaus.

Last in the management process, and probably the most important, is the continuous analysis of progress. This is the continuous comparison, analysis, and presentation of actual performance or status with the stated plans or objectives. It is from this function that the need for new action may be signalled. It may indicate the need for a revision in the plans to conform with changes or a relative increase or decrease of certain operating activities in order to balance out the whole utilization of resources in the attainment of the objective.

The achievement of operating balance is a prerequisite to economy and efficiency. This balance must be evaluated on a dual basis. First, are the quantities and types of resources being utilized at a balanced rate consistent with the plan, and are they being expended in terms of proper relative priority?

Recommendations for new action should be designed to rectify causes rather than effects. Effort expended on effects merely increases work requirements. The elimination of causes provides a more permanent solution. New action may sometimes require action both locally and higher or laterally. When an outside authority is involved, a statement of the local problem should be carefully prepared, presenting the pertinent facts and

requesting the specific action required.

The importance of analysis of progress to good management might be again emphasized by stating that this functional area is of the greatest potential benefit to command in the efficient and economical attainment of its desired mission. In a large and complex organization there is a definite requirement for the provision of an organized and coordinated staff service of factual analysis and recommendation for new action.⁷

For the past several paragraphs, the management process has been reviewed. Since the comptroller concept envisions the promotion of efficiency and economy through the management process, it is pertinent at this time to see how the comptroller function fits into the management picture.

The prime contribution of the comptroller and his organization is in the area of providing for his commander or commanding officer a continuous, well-organized, and complete staff service of factual information relative to resources available, their rate and area of use, with an interpretive analysis of those factual data as they affect the mission and the degree of attainment thereof. He is generally thought of as, "the official scorekeeper for topside." Although he coordinates the various management service functions for his commander and provides a sound financial plan, his position is one of staff service to the

⁷Rear Admiral E.W. Clepton, USN, op. cit.

line authority (see figure 2).⁸

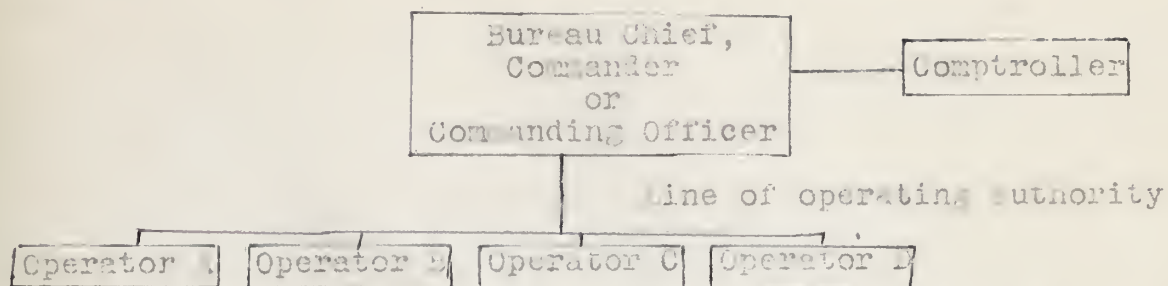


Figure 2. Simplified organization chart showing location of comptroller in the Bureau and subordinate levels. (Believed to reflect the consensus of opinion at top Navy levels.)

Note: There seems to be no precise criteria for determining whether or not the comptroller should have line authority over any of the operating functions such as accounting. I am of the opinion that as a general rule the comptroller should not have line authority outside his immediate staff, but rather should have functional control across the board in matters recognized as a responsibility for the comptroller. "Functional control" as used here means the authority to prescribe policies and procedures relating to accounting, business management, management audit, progress reports and statistics, budget and cost control which fall within his area of responsibility. My opinion stems from the fact that the more the comptroller is involved in such operations as accounting, the more his attention is diverted from his primary objective of providing a staff management service to command.

The Navy has found, as has private business, that when an organization (activity or company) is large and complex, no top executive is able without help to be currently aware of all details about all things pertaining to his organization and its functioning. Neither can he rely solely on the specialized perspective of the head of any one of his major organizational units or their detailed reports that flow into his office. Each has

⁸ Ibid.

his own unique viewpoint. To assure himself that he has an objective evaluation of all facets pertinent to a given problem, the top executive should find it desirable to interpose between himself and his organizational a continuous staff function of objective analysis. Such a function should increase the probability that all things are considered; that there is made available to him for consideration an unbiased recommendation for that action which will yield the greatest potential contribution to the economic and efficient attainment of the organization's objective.⁹

The Comptroller function is designed to bring to the commander, who has the line responsibility for effective and economical operation, a complete staff service function of information, analysis, potential problem areas, and action recommendations for consideration. Such recommendations are provided as a part of completed staff work and must always have the understanding and approval of the commander before they can have any impact on the organization as a whole. In addition to providing a direct staff service to the commander, it is intended that the comptroller provide the various organizational heads under the commander with a continuous staff service of factual information and analysis.

Functions of the Comptroller (Bureau level and below)

It has been shown how the management process leads to-

⁹ Ibid.

self to improvement through the comptroller concept, particularly in the large and complex organizations. The functions of the comptroller will now be considered. So far as it is known, the Navy Department has expressed no firm official position as to the detailed functions a comptroller should perform on this level. This is in line with the top Navy policy of recognizing that, in general, the various organizations have sufficient differences to preclude a standard pattern of detailed functions. This is in contrast with the Navy's firm position on the objective of the comptroller. This objective was stated earlier and is the same at all levels. On the basis of ^{the} broad comptrollership function and the objective thereof, some detailed comptroller functions are presented for consideration:

1. Direct and coordinate: preparation and administration of the budget; preparation of financial plans when funds are made available. This is probably the most important function of the comptroller, for it is at this stage that the program and planning objectives of the organization are brought into focus, weighed, and balanced.
2. Provide command with a basis for control of available funds. This might be accomplished by classifying financial control areas by object, purpose, or work program so that financial responsibility may be fixed and identified in relation to program responsibility; allotment of funds to those areas in accordance with the financial plan; prescribing accounting classifications and procedures, consistent with directives from higher authority, so that the expenditure of funds may be verified in accordance with plans and within prescribed limitation.
3. Timely analysis of financial transactions as related to progress, economy, and efficiency in the accomplishment of program objectives. This should be a continuous service of analysis and comparison of the cost ^{of} _A per-

formance with work programs and objectives, and the presentation of such analysis and comparisons together with recommendations for action or decision to that end that funds may be used effectively and economically. This has been said to be the "How am I doing?" and "What can I do to improve?" function of management.

4. Management audit. - The evaluation of the effectiveness of administrative controls, analysis of organization and methods, development of procedures.
5. Manpower control. - This should include estimates and justifications for personnel ceilings and allocation of ceilings. Supervise the preparation of personnel reports and work measurement. Integrate manpower requirements and controls with budget estimates and financial plans.
6. Control of the comptroller aspects of accounting. This should not generally include the accounting operation as such, but rather those matters of accounting bearing directly on the foregoing functions. Some of these are: determine policy relating to cost and property accounting; determine policy relative to the certification of payment vouchers; approval of financial reports; approval of accounting classifications and procedures; approval of the interpretation and implementation of accounting policy emanating from higher authority.

Navy Policy Towards Comptrollership

Top Navy Management not only has authority to establish comptroller positions where warranted, but recognizes that there is a real need for these positions in many of the larger and more complex Navy activities.

At the present time, the Navy policy seems to be that of fostering and encouraging the establishment of comptroller positions rather than direct the establishment of such positions. Because of the newness of the comptroller concept, this is believed a sound approach. It will provide the time needed to explain the "concept" to heads of subordinate organizations in order

that each may fairly evaluate the potential benefits which might accrue if accepted. Time is provided in which to educate a nucleus of officers qualified to perform comptroller duties. This approach recognizes the diverse nature of the many Navy activities, the human relations factors attendant to change, and the many problems incident to organizational and functional change. The Navy aims to develop comptrollership in an orderly and progressive manner with its ~~own~~ organization tailored to fit local needs. Common organizational patterns will probably be feasible in many instances.

That progress is being made is attested to by the fact that several of the Bureaus, the Military Sea Transport System, The Philadelphia Naval Shipyard, and the Navy Ordnance Plant at York, Pennsylvania, have established comptroller positions.

CHAPTER III

CONCLUSIONS

Based on personal observation of its results and academic knowledge of controllership gained through outside reading and post graduate work at The George Washington University it is the writer's opinion that the Navy Comptroller concept is sound. He further believes that if judiciously applied, it will promote efficiency and economy.

The Navy policy of educating professional naval officers with broad professional backgrounds to be controllers appears equally sound. This seems to the writer to be particularly applicable to controllers at the bureau level and at the larger activities. This view that the Comptroller should have, above all, a broad background in all aspects of the operation seems to be borne out by some authorities in private business. Mr. John V. Van Pelt, III, presently controller of the Kendall Company, Walpole, Massachusetts, and formerly accounting manager of Arthur Anderson & Company, has this to say:

"In all too few companies is the controller broad enough for the job. An expert possibly, in his own lines, in many cases he fails to visualize the overall management picture, and appreciation of the overall objectives is a prime requisite for the job."¹

¹Van Pelt, John V., III, "The Place of the Controller in Management Planning and Control," The Controller, October, 1951.

The comptroller's position in the Navy organization as a staff advisor and reporting directly to top management or command is as it should be if the comptrollership concept is to be effective. This parallels, in general, the position of comptrollers in the organization of large concerns.

As for the detailed functions of the comptroller at the bureau level and below, there appears to be some divergence of opinion. This is particularly true in the area of certain operating functions, particularly accounting. It is the firm opinion of the writer that if the comptroller is to perform properly a staff service ^{to} command, he must not become involved in the operating functions such as accounting. He should have line authority over only his own staff. This does not mean that he will have nothing whatever to do with the various operating functions, for he will. Through command he may be expected to determine policy, procedure, methods, and the like in those areas where he has responsibilities. For example, in the preparation and administration of the budget his authority should extend across the board; he should likewise approve such things as financial reports and accounting classifications and procedures. To do the things, it is not necessary that he have line authority beyond his own staff. This idea of keeping the comptroller out of line operations so that his entire effort may be directed towards serving the needs of management is shared by the Controller of Kendall Company, Walpole, Massachusetts. He says:

"The Controller must understand accounting work, but this idea does not imply that the job is one for an accountant as most people visualize a controller.

"For emphasis, we reiterate that the controller should be completely divorced from functional responsibility whether it be in the realm of sales, production, finance, or any other field."²

All in all, the Navy's program for promoting efficiency and economy through the comptroller concept, and the general Navy policy incident to the implementation of that concept, are considered valuable contributions to Navy management.

² Ibid.

"The Commission must understand the importance of this work, and that it is not just a job, but a responsibility. It is a responsibility that must be taken seriously and with the utmost care."

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